

RECORDATION NO. 24506-A FILED

OCT 01 '03 10:48 AM

SURFACE TRANSPORTATION BOARD

## FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Tel 847.318.7575  
Fax 847.318.7588

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment



VIA UPS 2<sup>nd</sup> DAY AIR

September 26, 2003

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated September 22, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24506.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Watco Transportation Services, Inc.  
315 West 3<sup>rd</sup> Street  
Pittsburgh, KS 66762

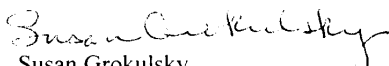
A description of the railroad equipment covered by the enclosed document is two 1996-1971 built, 1998 rebuilt, EMD/Boise GP40M-3R Locomotives marked FURX 1162 and FURX 1178.

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

  
Susan Grokulsky  
Manager of Documentation

Enclosures

(WACO001)

RECORDATION NO. 24506-A FILED

ASSGN. NO.: WACO001

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MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 22<sup>nd</sup> day of September, 2003, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Watco Transportation Services ("Lessee"), a Kansas corporation. SURFACE TRANSPORTATION BOARD

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 12, 2002, whereby Lessor has agreed to lease to Lessee certain locomotives pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 12, 2002 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]  
Name: K. A. Dombrowski

By: [Signature]  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing

Title: DIRECTOR OF DOCUMENTATION Executed on this 22<sup>nd</sup> day of September, 2003

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

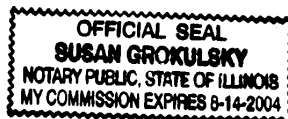
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 22<sup>nd</sup> day of September, 2003.

[Signature]  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)



**LESSEE:**

WATCO TRANSPORTATION SERVICES

By: Patrick LaCave

Name: Patrick LaCave

Title: General Manager TIRB

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on this 17 day of September, 2003

[CORPORATE SEAL]

STATE OF Texas

COUNTY OF Jasper

I, Kathy Billingsley, a Notary Public of the County and State  
aforesaid, certify that Patrick LaCave personally appeared before me this day  
and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 17 day of September, 2003



Kathy Billingsley  
Notary Public

Commission Expires:

1-11-2006  
(Notary Public)

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF LOCOMOTIVES:	Two (2)
DESCRIPTION OF LOCOMOTIVES:	1966-1971 built, 1998 rebuilt, EMD/Boise GP40M-3R Locomotives, 3000 horsepower
LOCOMOTIVE NUMBERS:	FURX1162, FURX1178